

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

**W-01212A**  
**Valencia Water Company, Inc.**  
**c/o Global Water**  
**21410 N 19<sup>th</sup> Ave. Ste. 201**  
**Phoenix, AZ 85027**

RECEIVED  
APR 14 2011  
ACC UTILITIES DIRECTOR

**ANNUAL REPORT**  
**Water**

**FOR YEAR ENDING**

<b>12</b>	<b>31</b>	<b>2010</b>
-----------	-----------	-------------

FOR COMMISSION USE

<b>ANN 04</b>	<b>10</b>
---------------	-----------

4-19-11

4-20-11

**COMPANY INFORMATION**

<b>Company Name (Business Name)</b> Valencia Water Company, Inc.		
Mailing Address 21410 N. 19 <sup>th</sup> Ave., Ste. 201		
Phoenix	AZ	85027
(City)	(State)	(Zip)
623-580-9600	623-580-9659	NA
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)
Email Address graham.symmonds@gwresources.com		
<b>Local Office Mailing Address</b> Same as above		
(Street)		
(City)	(State)	(Zip)
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)
Email Address		

**MANAGEMENT INFORMATION**

<input type="checkbox"/> <b>Regulatory Contact:</b> Graham Symmonds			
<input type="checkbox"/> <b>Management Contact:</b> Graham Symmonds CTO & SVP Regulatory Affairs & Compliance			
(Name)		(Title)	
21410 N. 19 <sup>th</sup> Ave. Ste. 210	Phoenix	AZ	85027
(Street)	(City)	(State)	(Zip)
623-580-9600	623-580-9659	602-615-4532	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address graham.symmonds@gwresources.com			
<b>On Site Manager:</b> Ron Fleming, General Manager, Arizona			
(Name)			
201 East Coronado Street	Buckeye	AZ	85326
(Street)	(City)	(State)	(Zip)
623-386-4252	623-386-6638	602-550-2717	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address ron.fleming@gwresources.com			

<b>Statutory Agent:</b> <u>Andrew Abraham, Burch &amp; Cracchiolo, PLC</u>			
(Name)			
<u>702 East Osborn, Ste. 200</u>	<u>Phoenix</u>	<u>AZ</u>	<u>85014</u>
(Street)	(City)	(State)	(Zip)
<u>602-274-7611</u>	<u>602-234-0341</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
<b>Attorney:</b> <u>Timothy J. Sabo, Roshka DeWulf &amp; Patten, PLC</u>			
(Name)			
<u>400 E Van Buren, Ste. 800</u>	<u>Phoenix</u>	<u>AZ</u>	<u>85004</u>
(Street)	(City)	(State)	(Zip)
<u>602-256-6100</u>	<u>602-256-6800</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
<b>Email Address</b> <u>tsabo@rdp-law.com</u>			

**OWNERSHIP INFORMATION**

Check the following box that applies to your company:

<input type="checkbox"/> Sole Proprietor (S)	<input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op)
<input type="checkbox"/> Partnership (P)	<input type="checkbox"/> Subchapter S Corporation (Z)
<input type="checkbox"/> Bankruptcy (B)	<input type="checkbox"/> Association/Co-op (A)
<input type="checkbox"/> Receivership (R)	<input type="checkbox"/> Limited Liability Company
<input type="checkbox"/> Other (Describe) _____	

**COUNTIES SERVED**

Check the box below for the county/ies in which you are certificated to provide service:

<input type="checkbox"/> APACHE	<input type="checkbox"/> COCHISE	<input type="checkbox"/> COCONINO
<input type="checkbox"/> GILA	<input type="checkbox"/> GRAHAM	<input type="checkbox"/> GREENLEE
<input type="checkbox"/> LA PAZ	<input checked="" type="checkbox"/> MARICOPA	<input type="checkbox"/> MOHAVE
<input type="checkbox"/> NAVAJO	<input type="checkbox"/> PIMA	<input type="checkbox"/> PINAL
<input type="checkbox"/> SANTA CRUZ	<input type="checkbox"/> YAVAPAI	<input type="checkbox"/> YUMA
<input type="checkbox"/> STATEWIDE		

**UTILITY PLANT IN SERVICE**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (OC)</b>	<b>Accumulated Depreciation (AD)</b>	<b>O.C.L.D. (OC less AD)</b>
301	Organization	0	0	0
302	Franchises	0	0	0
303	Land and Land Rights	150,432	0	150,432
304	Structures and Improvements	975,227	(100,860)	874,367
307	Wells and Springs	1,840,354	(204,041)	1,636,313
309	Supply Mains	0	0	0
310	Power Generation Equipment	25,864	(4,691)	21,173
311	Pumping Equipment	8,092,740	(1,770,053)	6,322,687
320	Water Treatment Equipment	4,085,368	(476,110)	3,609,258
330	Distribution Reservoirs and Standpipes	4,784,766	(537,929)	4,246,837
331	Transmission and Distribution Mains	21,032,842	(1,634,730)	19,398,112
333	Services	3,278,935	(382,504)	2,896,431
334	Meters and Meter Installations	1,425,973	(279,868)	1,146,105
335	Hydrants	1,981,787	(172,258)	1,809,529
336	Backflow Prevention Devices	12,674	(2,999)	9,675
339	Other Plant and Misc. Equipment	10,997	(2,609)	8,388
340	Office Furniture and Equipment	50,956	(22,927)	28,029
341	Transportation Equipment	275,038	(259,718)	15,320
343	Tools, Shop and Garage Equipment	93,586	(30,528)	63,058
344	Laboratory Equipment	42,598	(8,704)	33,894
345	Power Operated Equipment	55,588	(18,186)	37,402
346	Communication Equipment	22,701	(6,413)	16,288
347	Miscellaneous Equipment	17,310	(3,979)	13,331
348	Other Tangible Plant	2,924,198	(655,827)	2,268,371
390	Office Furniture	165,806	(48,904)	116,902
	<b>TOTALS</b>	<b>\$ 51,345,740</b>	<b>(\$ 6,623,838)</b>	<b>\$ 44,721,902</b>

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	0	0%	0
302	Franchises	0	0%	0
303	Land and Land Rights	150,432	0%	0
304	Structures and Improvements	975,227	3%	29,173
307	Wells and Springs	1,840,354	3%	60,243
309	Supply Mains	0	2%	0
310	Power Generation Equipment	25,864	5%	1,392
311	Pumping Equipment	8,092,740	13%	910,421
320	Water Treatment Equipment	4,085,368	3%	140,012
330	Distribution Reservoirs and Standpipes	4,784,766	2%	132,355
331	Transmission and Distribution Mains	21,032,842	2%	420,786
333	Services	3,278,935	3%	109,870
334	Meters and Meter Installations	1,425,973	8%	103,970
335	Hydrants	1,981,787	2%	39,623
336	Backflow Prevention Devices	12,674	7%	857
339	Other Plant and Misc. Equipment	10,997	7%	735
340	Office Furniture and Equipment	50,956	7%, 14% or 20%	4,369
341	Transportation Equipment	275,038	20%	25,970
343	Tools, Shop and Garage Equipment	93,586	5%	4,456
344	Laboratory Equipment	42,598	10%	3,318
345	Power Operated Equipment	55,588	5%	3,796
346	Communication Equipment	22,701	10% or 20%	2,165
347	Miscellaneous Equipment	17,310	10%	1,482
348	Other Tangible Plant	2,924,198	10%	269,966
390	Office Furniture	165,806	3%	10,226
	TOTALS	\$ 51,345,740		\$ 2,275,185

**BALANCE SHEET**

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash and cash equivalents	\$ 550	\$ 550
132	Special Deposits	192,960	261,924
134	Working Funds	0	0
135	Temporary Cash Investments	0	0
141	Customer Accounts Receivable	350,116	400,858
143	Accumulated Provision for Uncollectible Accounts	(35,961)	(35,968)
151	Plant Material and Supplies	22,937	25,222
162	Prepayments	7,578	22,362
174	Miscellaneous Current and Accrued Assets	\$ 71,049	\$ 126,386
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	<b>\$ 609,229</b>	<b>\$ 801,334</b>
	<b>FIXED ASSETS</b>		
101	Utility plant in service (All)	\$ 51,039,103	\$ 51,345,738
103	Property Held for Future Use	0	0
105	Construction Work-in-Progress	2,967,336	4,085,905
108	Accumulated Depreciation - Utility Plant	(4,349,963)	(6,623,838)
121	Non-Utility Property	0	0
122	Accumulated Depreciation - Non Utility	0	0
	<b>TOTAL FIXED ASSETS</b>	<b>\$ 49,656,476</b>	<b>\$ 48,807,805</b>
	<b>OTHER ASSETS</b>		
114	Utility Plant Acquisition Adjustments	\$ 10,794,655	\$ 10,794,655
181	Unamortized Debt Discount & Expense	8,645	8,213
190	Accumulated Deferred Income Taxes	13,881	105,359
	<b>TOTAL OTHER ASSETS</b>	<b>\$ 10,817,181</b>	<b>\$ 10,908,227</b>
	<b>TOTAL ASSETS</b>	<b>\$61,082,887</b>	<b>\$60,517,366</b>

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts payable	\$704,388	\$505,492
232	Notes Payable (Current Portion)	196,005	178,145
235	Customer Deposits	252,191	330,237
236	Accrued Taxes	69,320	78,238
237	Accrued Interest	25,644	36,346
241	Miscellaneous Current and Accrued Liabilities	422,300	770,278
253	Other Deferred Credits	70,230	7,296
	TOTAL CURRENT LIABILITIES	\$1,740,078	\$1,906,032
	LONG-TERM DEBT (Over 12 Months)		
224	Other Long-Term Debt	\$ 3,103,801	\$ 3,422,414
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$ 0	\$ 0
252	Advances in Aid of Construction	40,128,441	39,320,552
255	Accumulated Deferred Investment Tax Credits	0	0
271	Contributions in Aid of Construction	890,221	1,860,537
272	Less: Amortization of Contributions	(125,472)	(208,772)
281	Accumulated Deferred Income Taxes	249,531	206,711
	TOTAL DEFERRED CREDITS	\$ 41,142,721	\$ 41,179,028
	TOTAL LIABILITIES	\$ 45,986,600	\$ 46,507,474
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 0	\$ 0
211	Paid in Capital in Excess of Par Value	14,275,375	13,531,269
215	Retained Earnings	820,911	478,623
218	Proprietary Capital (Sole Props and Partnerships)	0	0
	TOTAL CAPITAL	\$ 15,096,286	\$ 14,009,892
	TOTAL LIABILITIES AND CAPITAL	\$ 61,082,886	\$ 60,517,366

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 2,259,152	\$ 2,773,691
460	Unmetered Water Revenue	708,336	998,561
474	Other Water Revenues	224,887	192,252
	<b>TOTAL REVENUES</b>	<b>\$ 3,192,375</b>	<b>\$ 3,964,504</b>
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 732,812	\$ 934,314
610	Purchased Water	0	0
615	Purchased Power	385,539	383,473
618	Chemicals	60,708	35,350
620	Repairs and Maintenance	22,862	47,939
621	Office Supplies and Expense	105,040	69,827
630	Outside Services	35,943	223,902
635	Water Testing	35,365	8,755
641	Rents	49,327	7,894
650	Transportation Expenses	38,345	66,539
657	Insurance – General Liability	29,806	31,788
659	Insurance - Health and Life	7,795	4,778
666	Regulatory Commission Expense – Rate Case	0	29,863
675	Miscellaneous Expense	71,645	36,336
403	Depreciation Expense	1,527,739	2,275,185
403	Depreciation Expense –CIAC Amortization	(27,189)	(79,359)
408	Taxes Other Than Income	14,902	9,966
408.11	Property Taxes	128,188	166,047
409	Income Tax	12,480	(134,298)
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 3,231,307</b>	<b>\$ 4,118,299</b>
	<b>OPERATING INCOME/(LOSS)</b>	<b>(\$ 38,932)</b>	<b>(\$ 153,794)</b>
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$ 0	\$ 0
421	Non-Utility Income	227,733	0
426	Miscellaneous Non-Utility Expenses	0	(3,469)
427	Interest Expense	(169,653)	(185,026)
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	<b>\$ 58,080</b>	<b>(\$ 188,495)</b>
	<b>NET INCOME/(LOSS)</b>	<b>\$ 19,148</b>	<b>(\$ 342,289)</b>



SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	07/1999	07/2006	10/2009	
Source of Loan	WIFA	WIFA	WIFA	
ACC Decision No.	60832	68336	71241	
Reason for Loan	Well Site Upgrade	Arsenic Treatment	SCADA and Well Site Upgrade	
Dollar Amount Issued	\$67,000	\$2,435,474	\$1,025,000	\$
Amount Outstanding	\$36,763	\$2,123,863	\$956,072	\$
Date of Maturity	6/2019	6/2026	9/2026	
Interest Rate	5.81%	6.75%	4.2%	%
Current Year Interest	\$2,244	\$159,515	\$17,789	\$
Current Year Principle	\$3,428	\$110,752	\$68,928	\$

Meter Deposit Balance at Test Year End	\$ 308,615.91
Meter Deposits Refunded During the Test Year	\$ 134,244.94

<b>COMPANY NAME: Valencia Water Company</b>	
<b>Name of System: VWC-TD</b>	<b>ADEQ Public Water System Number: AZ-04-07-078</b>

**WATER COMPANY PLANT DESCRIPTION**

**WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (Inches)	Year Drilled
55-200564    Sonoran Vista SE			300	7		
55-201055    Riata Well #1			0	0		
55-201739    Crystal Vista Well			0	0		
55-201740    Sonoran Vista NE	150	700	645	11	6"	2004
55-202399    Riata Well #2	125	525	660	11	8"	2004
55-202400    Bales School Well	50	750	550	11	4"	2004
55-203643    Schult Well			530	11		2004
55-203650    Evergreen #2			0	0		
55-203651    Evergreen Well #1			0	0		
55-205450    Evergreen Well #3			0	0		
55-207806    4th & Central	25	410	820	11	6"	2006
55-577508    4th & Baseline Large Well #2	60	600	620	8	6"	2000
55-592220    Blue Hills Deep Well #2	60	350	580	11	6	2002
55-595258    Sonoran Vista SW	100	500	750	11	6"	2003
55-595289    AZ Machinery Well			0	0		
55-599204    Blue Hills Shallow Well #1	20	110	320	9	4"	
55-599950    7th & Alarcon Large Well #2	50	250	800	10	4"	
55-607656    INACTIVE-4th & Baseline Small Well #1	10	75	490	6	2"	
55-607657    INACTIVE - 4th & Central			577	8		1966
55-607658    INACTIVE - 7th & Alarcon Small Well #1			650	10		

\*    Arizona Department of Water Resources Identification Number

***Note: If you are filing for more than one system, please provide separate sheets for each system.***

COMPANY NAME: Valencia Water Company	
Name of System: VWC-TD	ADEQ Public Water System Number: AZ-04-07-078

OTHER WATER SOURCES

Name or Description	Capacity (GPM)	Gallons Purchased or Obtained (In Thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
100	2	820	
125	2		
15	6		
150	3		
20	4		
200	2		
25	4		
30	3		
40	11		
5	4		
50	9		
60	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
100,000 GAL	2	1,000 GAL	1
1,000,000 GAL	1	12,000 GAL	1
128,000 GAL	1	2,000 GAL	1
180,000 GAL	1	3,000 GAL	1
195,000 GAL	1	5,000 GAL	8
215,000 GAL	1	6,000 GAL	2
240,000 GAL	1		
25,000 GAL	2		
50,000 GAL	3		
500,000 GAL	2		
550,000 GAL	1		
750,000 GAL	1		
900,000 GAL	1		

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

COMPANY NAME: Valencia Water Company	
Name of System: VWC-TD	ADEQ Public Water System Number: AZ-04-07-078

MAINS

Size (in Inches)	Material	Length (in Feet)
4	ACP	69
*		
2	CU	3,231
4	DIP	163
6	DIP	399
8	DIP	7,260
10	DIP	2,874
12	DIP	20,795
16	DIP	45,852
18	DIP	8,026
8	DIP350	196
12	DIP350	11
16	DIP350	5,250
1	PVC	79
2	PVC	1,483
3	PVC	2,626
4	PVC	25,096
6	PVC	34,537
8	PVC	318,315
10	PVC	4,104
12	PVC	49,032
16	PVC	7,269
6	PVCCL1	16
8	PVCCL1	67
2	PVCCL2	342
4	PVCCL2	790
8	PVCCL2	223
10	PVCCL2	2,518
3	STEEL	27
6	STEEL	90
8	STEEL	200
10	STEEL	100
8	STL	14
-99	UNK	1,962
2	UNK	50

CUSTOMER METERS

Size (in inches)	Quantity
1 1/2"	17
1"	110
2"	112
3"	3
3/4"	26
5/8"	5,364
6"	4

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

COMPANY NAME: Valencia Water Company	
Name of System: VWC-TD	ADEQ Public Water System Number: AZ-04-07-078

4	UNK	9,978
6	UNK	25,073
8	UNK	7,399
10	UNK	14
12	UNK	9,513
16	UNK	2,084

ABS = Acrylonitrile-Butadiene-Styrene	GALV = Galvanized Steel Pipe
AC = Asbestos Cement	PVC = Polyvinyl Chloride
ACP = Asbestos Concrete Pipe	PVCCL1 = PVC 900 CL 150
ASWP = American Spiral Weld Pipe	PVCCL2 = PVC 900 CL 200
CU = Copper	PVCNP = PVC - Not Purple
DIP = Ductile Iron Pipe	SDRCL1 = PVC SDR 26 CL 160
DIP150 = 150# Ductile Iron Pipe	STEEL = Steel
=	UNK = Unknown

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

ArsenX treatment systems and Chlorine Disinfection Systems  
7TH & Alarcon  
Bales  
Blue Hills  
4th & Baseline  
4th & Central  
Coagulation Filtration System  
Sonoran Vista

STRUCTURES:

Local Office structure - storage, office space etc (201 E Coronado, Buckeye)  
Block Walls around well sites and booster stations

OTHER:

10 Utility Vehicles  
1 Dump Truck  
1 Backhoe  
1 Trackhoe

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

COMPANY NAME: VALENCIA WATER COMPANY – TOWN DIVISION	
Name of System: Valencia Water	ADEQ Public Water System Number: AZ04-07-078

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2010**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	5072	44,015	41,653	
FEBRUARY	5117	30,763	36,336	
MARCH	5123	30,615	41,544	
APRIL	5135	58,727	52,567	
MAY	5177	50,590	65,426	
JUNE	5168	67,568	85,090	
JULY	5210	94,635	89,705	
AUGUST	5186	110,039	78,379	
SEPTEMBER	5186	64,279	72,837	
OCTOBER	5166	70,641	67,354	
NOVEMBER	5124	51,512	56,140	
DECEMBER	5127	40,412	44,866	
TOTALS →		713,797	731,897	

What is the level of arsenic for each well on your system? see below mg/l  
(If more than one well, please list each separately.)

ADWR #55-599950	7 <sup>th</sup> & Alarcon Well – EPDS 001	0.0061 mg/l
ADWR #55-607657	4 <sup>th</sup> & Central Well – EPDS 002	0.0067 mg/l
ADWR #55-577508	4 <sup>th</sup> & Baseline Well – EPDS 003	0.0068 mg/l
ADWR #55-599204	Blue Hills #1 Well – EPDS 004	0.0064 mg/l
ADWR #55-592220	Blue Hills #2 Well – EPDS 004	0.0064 mg/l
ADWR #55-201740	Sonoran Vista NE Well – EPDS 005	0.007 mg/l
ADWR #55-200564	Sonoran Vista SE Well – EPDS 005	0.007 mg/l
ADWR #55-202399	Riata Well – EPDS 005	0.007 mg/l
ADWR #55-202400	Bales Well – EPDS 006	0.0063 mg/l

If system has fire hydrants, what is the fire flow requirement? \_\_\_\_\_ GPM for \_\_\_\_\_ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?  
(X) Yes                      ( ) No

Is the Water Utility located in an ADWR Active Management Area (AMA)?            (X) Yes            ( ) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?  
( ) Yes                      (X) No

If yes, provide the GPCPD amount: \_\_\_\_\_

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

COMPANY NAME: VALENCIA WATER COMPANY – TOWN DIVISION	
Name of System: Consolidated	ADEQ Public Water System Number: NA

**UTILITY SHUTOFFS / DISCONNECTS**

MONTH		Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY		0	230	
FEBRUARY		0	3	
MARCH		0	169	
APRIL		0	82	
MAY		0	0	
JUNE		0	181	
JULY		0	110	
AUGUST		0	110	
SEPTEMBER		0	102	
OCTOBER		0	0	
NOVEMBER		0	116	
DECEMBER		0	110	
TOTALS →		0	1,213	

OTHER (description):

---

---

---

---

---

---

---

**COMPANY NAME: VALENCIA WATER COMPANY – TOWN DIVISION  
YEAR ENDING 12/31/2010**

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2010 was: **\$155,172.00**

Attach to this annual report proof (e.g. property tax bills stamped “paid in full” or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



**VERIFICATION  
AND  
SWORN STATEMENT**  
Taxes

RECEIVED  
APR 18 2011  
ACC UTILITIES DIRECTOR

**VERIFICATION**

**STATE OF ARIZONA      Maricopa**

**I, THE UNDERSIGNED      Graham Symmonds, CTO & SVP Regulatory Affairs & Compliance**  
**OF THE                              Valencia Water Company, Inc.**

**DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

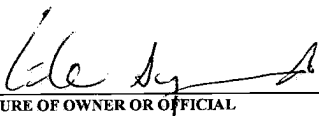
MONTH	DAY	YEAR
12	31	2010

**HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.**

**SWORN STATEMENT**

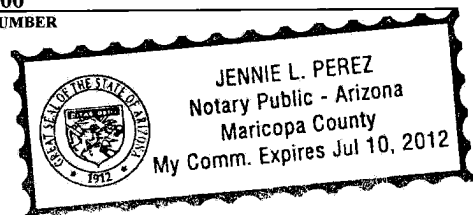
**I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.**

**I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.**

  
\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL

623-580-9600  
\_\_\_\_\_  
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME JENNIE L PEREZ**  
**A NOTARY PUBLIC IN AND FOR THE COUNTY OF MARICOPA**  
**THIS 15 DAY OF APRIL, 2011.**



**MY COMMISSION EXPIRES 7/10/2012**

  
\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC

**COMPANY NAME: VALENCIA WATER COMPANY – TOWN DIVISION  
YEAR ENDING 12/31/2010**

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>\$ 462,394</u>
Estimated or Actual Federal Tax Liability	<u>\$ 0</u>

State Taxable Income Reported	<u>\$ 462,394</u>
Estimated or Actual State Tax Liability	<u>\$ 0</u>

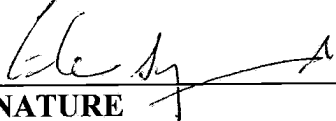
Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>\$ 41,181,089</u>
Amount of Gross-Up Tax Collected	<u>\$ 0</u>
Total Grossed-Up Contributions/Advances	<u>\$ 0</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

  
\_\_\_\_\_  
**SIGNATURE**

April 15, 2011  
\_\_\_\_\_  
**DATE**

Graham Symmonds  
\_\_\_\_\_  
**PRINTED NAME**

CTO & SVP Regulatory Affairs & Compliance  
\_\_\_\_\_  
**TITLE**

**VERIFICATION AND SWORN STATEMENT**  
**Intrastate Revenues Only**

RECEIVED  
APR 15 2011  
ACC UTILITIES DIRECTOR

**VERIFICATION**

**STATE OF ARIZONA      Maricopa**

**I, THE UNDERSIGNED      Graham Symmonds, CTO & SVP Regulatory Affairs & Compliance**

**OF THE      Valencia Water Company, Inc.**

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2010

**HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.**

**SWORN STATEMENT**

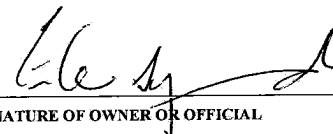
**IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2010 WAS:**

Arizona Intrastate Gross Operating Revenues Only (\$)

**\$4,330,847**

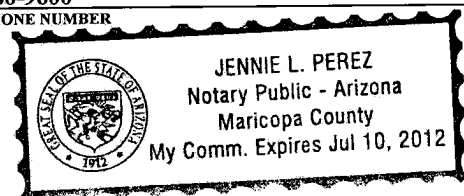
**(THE AMOUNT IN BOX ABOVE  
INCLUDES \$357,491 SALE TAXES, \$9,999 ACC FEE, and  
\$1,078 RUCO FEE BILLED, OR COLLECTED)**

**\*\*REVENUE REPORTED ON THIS PAGE MUST  
INCLUDE SALES TAXES BILLED OR  
COLLECTED. IF FOR ANY OTHER REASON,  
THE REVENUE REPORTED ABOVE DOES NOT  
AGREE WITH TOTAL OPERATING REVENUES  
ELSEWHERE REPORTED, ATTACH THOSE  
STATEMENTS THAT RECONCILE THE  
DIFFERENCE. (EXPLAIN IN DETAIL)**


  
SIGNATURE OF OWNER OR OFFICIAL

623-580-9600  
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME JENNIE L PEREZ  
A NOTARY PUBLIC IN AND FOR THE COUNTY OF MARICOPA  
THIS 15 DAY OF APRIL, 2011.**



**MY COMMISSION EXPIRES 7/10/2012**

  
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION AND SWORN STATEMENT**  
**RESIDENTIAL REVENUE**  
**Intrastate Revenues Only**

RECEIVED  
APR 10 2011  
ACC UTILITIES DIRECTOR

**VERIFICATION**

**STATE OF ARIZONA      Maricopa**

**I, THE UNDERSIGNED      Graham Symmonds, CTO & SVP Regulatory Affairs & Compliance**

**OF THE                              Valencia Water Company, Inc.**

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

<b>MONTH</b>	<b>DAY</b>	<b>YEAR</b>
<b>12</b>	<b>31</b>	<b>2010</b>

**HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.**

**SWORN STATEMENT**


**IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2010 WAS:**

**ARIZONA INTRASTATE GROSS OPERATING REVENUES**

**\$ 2,526,740**

**(THE AMOUNT IN BOX AT LEFT INCLUDES \$208,278 SALES TAXES, \$1,178 ACCFEE, \$173 RUCO FEE BILLED, OR COLLECTED)**

**\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.**

  
SIGNATURE OF OWNER OR OFFICIAL

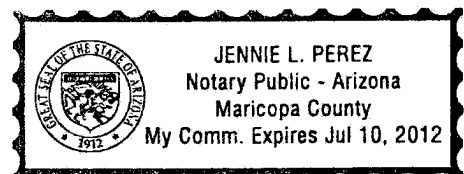
**623-580-9600**  
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME JENNIE L PEREZ**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF MARICOPA**

**THIS 15 DAY OF APRIL, 2011.**

**MY COMMISSION EXPIRES 7/10/2012**



  
SIGNATURE OF NOTARY PUBLIC